

# **MINUTES OF**

## **THE RHODE ISLAND INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY**

**Meeting #435 – May 4, 2007**

**PRESENT: Frank R. Benell -- Chairperson**

**Frances H. Gammell-Roach -- Vice Chairperson**

**Michael S. Imbruglia -- Member**

**William B. Sweeney -- Member**

**ABSENT: None**

**ALSO PRESENT: Earl F. Queenan, Jr. -- Manager**

**Alicia A. Pomfret -- Assistant Manager**

**Anthony J. Scolavino -- Sr. Financial Program Administrator**

**Claudine Tikoian -- Loan Portfolio Manager**

**Michael Saul -- The Urban Revitalization Fund**

**Natalie Jackvony, Esquire -- Legal Counsel**

**Meredith Holderbaum -- Senate Fiscal Office**

**The meeting was held at 315 Iron Horse Way, Providence, and was called to order by Chairman Benell at 8:39 a.m.**

**Mr. Benell presented the Minutes of the prior meeting. Following review and discussion, a motion to accept the Public and Executive Session Minutes of the Meeting of December 8, 2006 was made by Dr. Sweeney, was seconded by Mrs. Gammell-Roach, and was unanimously approved. A vote by roll call was taken:**

**Mrs. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**A motion was then made by Mrs. Gammell-Roach to maintain the confidentiality of the Executive Session Minutes of the Meeting of December 8, 2006. The motion was seconded by Mr. Imbruglia and was approved unanimously. A vote by roll call was taken:**

**Mrs. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Mr. Queenan presented the Watch List and Portfolio Report as of April 30, 2007. He performed a review of the Watch List. He discussed the AKL FLEXO TECH-USA, LP recoveries from Messrs.**

**Frater and Kobush. Dr. Sweeney questioned what the net losses are. Mr. Queenan responded that the loss is \$2,400,000 on a \$5,000,000 transaction.**

**Mr. Queenan noted that CHESTNUT HILL AVIATION will be discussed in Executive Session, that STEM CELLS is losing their tenant, and that there is no change in status on ULTRA FINE POWDER TECHNOLOGY. Mr. Saul queried if the Authority reviews their documentation when the Authority is called upon for default payments.**

**Mr. Scolavino responded that the documentation is reviewed by legal counsel.**

**Mr. Queenan presented the Portfolio Report as of April 30, 2007. During review of the report he noted that the NARRAGANSETT IMAGING insured mortgage will be taken out by Bank of America, that HOTEL PROVIDENCE has paid off and that SULZER METAPLAS will be discussed later in the meeting.**

**A motion was then made by Mr. Imbruglia, was seconded by Dr. Sweeney, and was approved unanimously to accept the Watch List and the Portfolio Report as presented. A vote was then taken by roll call:**

**Mrs. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Mr. Queenan presented the Authority's Internally Prepared Financial Statements for the 10 months ending April 30, 2007. Following his review of the statements he responded to questions posed by Mr. Saul. After this, a motion to accept the statements as presented was made by Mr. Imbruglia, was seconded by Mrs. Gammell-Roach, and was unanimously approved. A roll call vote was then held:**

**Mrs. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Mr. Queenan presented for informational purposes, a Letter dated April 13, 2007 from Governor Carcieri regarding the submission of Fiscal Year End June 30, 2007 Audited Financial Statements to the State Controller by the deadline date of September 30, 2007. He told the Board that he had forwarded to and discussed this Letter with the Authority's Audit Firm, and the Auditors will respond directly to the Governor. The Auditors will be in the office to begin preliminary work on the Audit in mid to late June. A vote was not required on this matter.**

**Mr. Queenan presented a proposed Resolution for Signature Authority. After review and discussion, a motion was made by Mrs.**

**Gammell-Roach, was seconded by Dr. Sweeney, and was unanimously approved to adopt the Resolution, a copy of which is attached hereto, and made a part hereof.**

**Under Other Business, for information purposes, Mr. Queenan presented to the Board a Letter dated March 29, 2007 from Senator J. Michael Lenihan, Chairman of the Senate Committee on Government Oversight, along with Mr. Queenan's Letter of Response regarding Purchasing Policies & Procedures. No voting was required on this matter.**

**Under Other Business, Mr. Queenan verbally briefed the Board on the status of the Authority's efforts to renew the Director's and Officer's Liability Insurance policy. The annual policy will cover the fiscal year ending June 30, 2008. The policy has not yet been renewed, however all required information has been provided to the agent. The Economic Development Corporation's Insurance Consultant will review the broker's quotes and the terms and conditions of the insurance policy. The Board will be asked to ratify the Authority's payment and renewal of the policy at the July meeting.**

**Under Other Business, Mr. Queenan presented a verbal request from Mr. Frank Epps, CEO & President of NARRAGANSETT IMAGING, for a payment plan on the Company's prepayment fee. The Board gave much consideration to this request. Following discussion, a motion was made by Mrs. Gammell-Roach, was seconded by**

**Mr. Imbruglia, and was unanimously adopted to deny a payment plan, and to require that the prepayment fee adhere to the fee as prescribed under the terms of the bond documentation. A roll call vote was held:**

**Mrs. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**At 9:50 a.m., Mr. Benell declared that he would entertain a motion to adjourn to Executive Session and that an affirmative vote of a majority of the members is required. In accordance with §42-46-4 of the Rhode Island General Laws, a portion of the meeting will be held in Executive Session to consider and take appropriate action on such matters as permitted by subsection (5) (acquisition or lease of real property for public purposes or disposition of publicly held property), subsection (6) (location of prospective businesses in Rhode Island), or subsection (7) (investment of public funds) of Rhode Island General Laws, Section 42-46-5(a), the Open Meetings Law. Mr. Imbruglia motioned to enter into Executive Session, Mrs. Gammell-Roach seconded, and a vote was taken.**

**Mrs. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**At 10:13 a.m. Mr. Benell requested a motion to return to Open Session, and noted that an affirmative vote of a majority of the members is required in accordance with §42-46-4 of the Rhode Island General Laws. Mrs. Gammell-Roach motioned to return to Public Session, Mr. Imbruglia seconded, and a vote was taken.**

**Mrs. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**In accordance with §42-46-4 of the Open Meetings Law of the General Laws of the State of Rhode Island, the Board revisited the votes taken during Executive Session. A motion was made by Mrs. Gammell-Roach, was seconded by Mr. Imbruglia, and was unanimously adopted to ratify the following votes made during the Executive Session. A roll call vote was held:**

**Mrs. Frances H. Gammell-Roach – aye**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**To authorize staff to initiate negotiations with SULZER METAPLAS for a month-to-month lease, and to initiate marketing the 222 Goldstein**

**Drive, Woonsocket property for sale.**

**On behalf of KEY PARKINSON REALTY GROUP LLC and PARKINSON MACHINERY AND MANUFACTURING for financial covenant waivers as detailed in the Executive Session Minutes.**

**On behalf of CHESTNUT HILL AVIATION to make the June mortgage payment if necessary.**

**There being no other business to discuss, Mr. Benell requested a motion to adjourn.**

**Mr. Imbruglia motioned, Dr. Sweeney seconded, and it was unanimously approved to end the meeting.**

**The meeting adjourned at 10:19 a.m.**

**Respectfully submitted,**

**Alicia A. Pomfret  
Assistant Manager**